

## Message Text

UNCLASSIFIED

PAGE 01 BRASIL 04744 101820Z  
ACTION AGR-10

INFO OCT-01 ARA-14 ISO-00 EB-07 COME-00 TRSE-00 STR-04

ITC-01 EPG-02 CIAE-00 DODE-00 INR-07 NSAE-00

PA-02 USIA-15 PRS-01 SP-02 /066 W

-----101824Z 023001 /46

P 101400Z JUN 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 2148

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 4744

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, ETRD, BR

SUBJECT: SOYBEAN EXPORT SITUATION

REF: BRASILIA 4506

RIO DE JANEIRO 2504

1. PRESS COVERAGE OF THE SOYBEAN EXPORT SITUATION CONTINUES HEAVY. MAJOR NEWSPAPERS IN RIO AND SAO PAULO REPORT ON THE DECLINING CHICAGO PRICES AND THE POTENTIAL FOR TRANSPORTATION AND PORT BOTTLENECKS TO DEVELOP IF LARGE QUANTITIES OF SOY-BEANS ARE SUDDENLY MOVED TO PORTS IN JULY AND AUGUST. FOLLOWING IS A TRANSLATION OF A JUNE 9 JORNAL DO BRASIL ARTICLE.

2. BEGIN TEXT: YESTERDAY IN PORTO ALEGRE THE PRESIDENT OF THE FEDERATION OF THE BRAZILIAN SOYBEAN AND WHEAT COOPERATIVES (FECOTRIGO), MR. ARY DIONISIO DALMOLIN EXPRESSED HIS CONCERNS ABOUT THE POSSIBILITY THAT, IF THE GOVERNMENT ELIMINATES THE CONTRIBUTION QUOTA, IT WILL DO SO ONLY AFTER SOYBEAN PRICES HAVE REACHED LOWER LEVELS DUE TO THE ARRIVAL OF THE U.S. HARVEST ON THE MARKET. POINTING OUT THAT FECOTRIGO HAS BEEN UNCLASSIFIED

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PAGE 02 BRASIL 04744 101820Z

ENCOURAGING PRODUCERS TO SELL SOYBEANS TO OBTAIN A SATISFACTORY AVERAGE PRICE, MR. DALMOLIN SAID THE INCREASE IN THE CONTRIBUTION QUOTA FROM 7 TO 12 PERCENT SHOCKED PRODUCERS BECAUSE IT REPRESENTED A SUBSTANTIAL CUT IN THEIR RETURNS. THE PRICE OF SOYBEANS, CURRENTLY A LITTLE LESS THAN US\$340 PER TON, ON WHICH ARE IMPOSED THE CONTRIBUTION QUOTA AND THE ICM TAX BE-SIDES OTHER EXPENSES, ACTUALLY REPRESENTS A RETURN OF US\$300.

DALMOLIN, LIKE GOVERNOR SIUVAL QUAZZELLI, FEARS THAT EITHER AN UPWARD PRICE MOVEMENT OR THE APPROACHING COMPETITION FROM THE AMERICAN HARVEST, WHICH WILL COME TO MARKET IN LATE AUGUST, COULD SPEED UP SALES TO SUCH AN EXTENT TO CAUSE CONGESTION IN TRANSPORTATION AND LOADING FACILITIES IN RIO GRANDE DO SUL. END TEXT  
CRIMMINS

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, EXPORTS, SOYBEANS, PRICE TRENDS  
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**Copy:** SINGLE  
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**Review Markings:**  
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